

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 1981] NEW SERIES Vol. XLVII. No. 18. THURSDAY, AUGUST 28, 1930. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	205	ECONOMIC PROGRESS. Verse. By B. S. R.	210
Sir Otto Niemeyer in Australia—later news and comments. The <i>Evening Standard</i> on "conscience-money"—restitution is not enough! Mr. Gerard's pamphlet on Empire Free Trade—expects that American capital will be used to develop Lord Beaverbrook's scheme. The drowning of Commodore King and Commander Searle off the Cornish coast—"economy" causes life-boat delay. The South African Government legalises the sale of hire-purchased motor-cars before the payments have been completed.		THE PRESENT DISCONTENTS. By M. J. Burke on the "double-Cabinet" system.	211
THE FILMS. By David Ockham	210	RUSSIA'S ECONOMIC BLIND ALLEY.—I. By Alec Henderson	212
<i>The Sea Bat. Our Modern Maidens. Let Us Be Gay.</i>		CROWLEY'S COME-BACK. By I. A. O. (The <i>Legend of Aleister Crowley</i> . (P. R. Stephenson.)	213
		REVIEWS	214
		<i>British Railways and Unemployment.</i>	
		LETTERS TO THE EDITOR	215
		From C. G., H. G. Wells and E. V. H.	
		ANSWER TO CORRESPONDENT	215

NOTES OF THE WEEK.

Since we wrote last week on Sir Otto Niemeyer's announcement in Canberra that Australian prices and costs must come down, further news has appeared in the London newspapers. One reports him to have criticised railway costs and to have demanded a cut in wage-rates amounting to something like 8 per cent. The *News-Chronicle* of August 21 devotes two columns on its front page to a description of the Australian crisis with comments by the City Editor. Cables from Melbourne say that a meeting of State Premiers took place on the previous day at which Mr. Scullin was present, with Sir Otto Niemeyer as adviser to the conference. A "definite conclusion" was reached which, it is reported, "appeared to give satisfaction" to Sir Otto. Among the projects for economising which were examined were the abolition of State Governors, State Agents-General and the Federal Market Department, together with a "pruning" of all Government offices "without respect to persons or departments." The necessity for a decision on these questions is urgent because, it is said, Australia is due to repay £5,000,000 of Treasury Bills on December 2 and another £5,000,000 on December 31. The *News-Chronicle's* City Editor remarks that:

"Australian-owned funds in London are short, and have to be rationed for use according to their purpose. This shortage of ready cash abroad . . . the ordinary man in Australia in that he has to pay £107 7s. 6d. in Australia to get command of £100 in London. Australia, he continues, has three "main" alternative methods of increasing her supply of goods: (1) shipping gold, (2) obtaining loans abroad, (3) increasing sales abroad. He omitted to add a fourth, namely, reducing imports—which is curious, seeing that this method was what Mr. Scullin chose as his reply to London's attack on the Australian exchange a month or so ago.

The same City Editor explains that the main causes of Australia's shortage of money are (1) The fall in wheat and wool prices, which has meant a "lesser aggregate return" to Australia's exporters.

(2) High internal costs of production, stimulated by an "artificially created high standard of living" which prevent Australia from selling enough abroad to pay for her imports.

(3) Australia's heavy borrowing, which has "weighted the exchange" against the Australian pound. It is not until the capital expenditure of these loans becomes reproductive that a reverse impression is made upon the exchange."

The lay editor of the *News-Chronicle* supplements its City Editor's comments in a leading article. We are told that "the root facts seem to be simple."

"Australia has been living in a sort of financial fool's paradise . . . maintaining a rate of wages which her industries simply are not strong enough to pay. The result is that she finds herself for the moment in a position in which she has not the money to pay for absolutely necessary foreign imports; and the banks are unwilling to grant further credit without clear evidence that it will not simply mean piling up further debt."

The moral drawn is that this result shows how futile it is for a country, "even under exceptionally favourable circumstances," to try to live entirely "on its own" in the modern world. The real moral is wider than that: it is the futility of any country's trying to live at all in the (happily described) "financial fool's paradise" of the modern world.

It will be noticed that these analyses faithfully reflect the views of the City: they feature what the City features, and, more important, ignore what the City ignores. Take for example the reference to Australia's "artificially created high standard of living." What does this mean? What intelligible terms are connoted by the words "artificial," "create," and "high"? The suggestion intended to be conveyed to the public by the passage is clear enough, namely, that Australia has been permitting herself a standard of living in excess of some *natural*, some *real*, standard, which the City experts are able to calculate. They never announce the result of the calculation, nor do they reveal the principles on which it should be made. The truth is that, measured by the bankers' standard of lending, any standard of living at all is "high." Applying their familiar over-riding formula: "Produce

More, Consume Less," you cannot escape the conclusion that their concept of a natural, real, uncreate, standard of living is expressible only by the word "Less." That this "Less" is not "zero," they regard as a regrettable necessity; but still, though zero be not attainable, it is approachable; and the nearer consumers approach to it the more "natural" will be their standard of living.

To come a step nearer to the bankers' practical interpretation of this doctrine of *Less-ness* we can adduce a statement of Sir Otto Niemeyer's which we quoted last week. He said that while prices in other countries had been greatly reduced, in Australia they had contracted but slightly. For reasons easily apparent in his context he did *not* mean that the lower prices in the other countries were allowing people to buy more consumables; what he obviously meant was that because prices were less incomes were less and costs were less. So his argument came to this; that because Australia is not living on so much less as are other countries therefore Australia is infringing a natural law, and is, as the City Editor of the *News-Chronicle* describes it, enjoying an "artificially created high standard of living." But we should like to know on what grounds the converse of this proposition is not equally credible. Suppose we say that because Australia's standard of living is higher than that of other countries therefore those other countries are suffering under an artificially created low standard! Why should we not make that answer?—or, rather, leaving us and our definite knowledge that it is a true one out of the question; why should not anybody see that it is at least an equally plausible inference to draw from these "grave discrepancies in price levels," as Sir Otto calls them?

Students of bankers' utterances on the economic problem will notice the repetition in the above extracts from the *News-Chronicle* of their familiar trick of treating the fall in world-prices as a phenomenon for which there is no explanation—as something that "just happens." Thus the City Editor ascribes Australia's shortage of money to the fall in wheat and wool prices. Nothing is said to suggest that this fall could have been caused, as it was, by the same interests as are now penalising Australia for the consequences.

The *Evening Standard* published a leading article the other day on the subject of "conscience money." The writer urged that an anonymous restitution of money which should have been paid to the Exchequer long before is not a full and proper expiation of the crime of concealment of liability; and that it is dangerously lax to allow people to get the idea that they can choose their own time to pay what they owe and still regard themselves as honest. He recognised that in most cases nothing can be done about punishing this offence, but he instanced certain cases where people who had concealed their liability and were at last detected and proceeded against had got off free from any penalty by producing proof that in the meantime they had discharged the liability anonymously. Here at least, he suggested, is an opportunity for an alteration in the law to permit of examples being made of these voluntary restitutionists. This article appears to have dropped down out of the blue—there was no item of news on which the writer hung it; and we are prompted to speculate whether the bankers are not following Mr. Hookey's precedent of giving 10s. a line to any journalist who could get a little puff of himself or his activities inserted in any newspaper. But probably there is no need for quite such a direct form of encouragement. Just as in education the tendency of the times is to rely less

on examination as the sole test of a child's merit, and more on his record over the term, so presumably the Press secures its prospectus-advertisement prizes on the basis of its general attitude towards finance.

The argument in the article in question is the familiar one that a defaulting taxpayer robs the others. This *can* happen, but need not necessarily do so. The circumstances in which it would happen would be where the taxable capacity of a community was in excess of the amount of taxes actually levied. During the war we believe that there were indications of the existence of such a margin, but since 1920 they have ceased to appear. Every section of the community is now taxed to the bone, and has been for some years. So when you have Tom, Dick and Harry each due to pay, let us say, £10 to the Exchequer, and no capacity to pay more, the default of Tom does not cause £10 extra to come into Dick's and Harry's purses, and therefore the latter cannot make up the deficit. They cannot pay what they have not got; and if they do not pay they have not been robbed by Tom. But we can go further than this and say that Tom's default can indirectly benefit Dick and Harry, as will easily be appreciated supposing that Tom spends the £10, withheld from the Government on purchasing goods from Dick and Harry—which is probably what he would do. Dick and Harry will now have £10 more money to meet their business costs, and are that distance on the safe side of the bankruptcy line. So, to say the least, the *Evening Standard's* leader-writer is premature in characterising default in tax-paying as necessarily an anti-social act in a material sense. Its effect is rather to disturb the balancing of the Budget than to penalise any person.

It will be seen from the above reasoning that default is the less anti-social the larger it becomes in amount. Whereas a Chancellor might manage to make honest citizens pay up the deficit caused by trivial defaults, there is a limit beyond which he would have to leave his Budget unbalanced and call upon the banks to subsidise the State spending-departments. Now, we do not suggest that defaults by individual taxpayers should be condoned; but probation does not need to be based on the pretence that the defaulters save their pockets at the expense of the community. The financial interests who encourage this kind of view do so to fan jealousies among the community and to deepen its conviction that every financial burden felt by one section must be ascribable to an improper act by another. It is parallel to the suggestion that high wages rob innocent investors, or that profiteering robs innocent consumers. This innocence is continually being imputed to one section or other in turn, connoting guilt always being passed round, with the consequence that every member of the community sooner or later takes his turn at being the nigger in the pile, and probably consoles himself by the reflection that tomorrow he will take part in a hunt after another nigger. From this situation arises the idea among well-meaning people that what is wanted to solve the economic problem is a "change of heart."

The best way to meet these arguments suggesting that Tom's cheating lands Dick and Harry into trouble is to ask for proof that Tom's conversion to honesty will (not *can*) get his neighbours out of trouble. Everybody is aware that if, let us say, the railwaymen were to accept a reduction amounting to £500,000 a week in their wages, the saving could be put into the pool of dividends. But the point is: would it? Or take Mr. Maggs and the United Dairies company, suppose he put down the price

of milk to the Food Council's figure; the result *could* be to increase general purchasing-power, but *would* it? And extending the survey to international affairs, the non-receipt of debts and reparations owing to Britain can be shown on paper to lay financial burdens on British citizens; but would the receipt of these take off the burdens? We read a humorous story somewhere some years ago. It was this. Two gentlemen, nicely dressed, happen to be standing side by side on the edge of the pavement on a wet day waiting to cross the street. They are strangers to each other. A bus is approaching along their side of the street splashing mud across the pavement. One of the gentlemen suddenly notices this when the bus is just on him, and skips round behind the other, who doesn't. Of course in two seconds there are heated expostulations from a well-splashed gentleman who wants to know what the unsplashed gentleman meant by dodging behind him like that. The unsplashed gentleman advances the argument that he has not caused the other any injury by taking shelter behind him; pointing out that the well-splashed gentleman would have been just as well splashed if he, the unsplashed, had stood his ground. This soft answer turns on more wrath from the other gentleman; and the controversy develops into a heated disputation in which principles of propriety, morals, ethics, and even metaphysics, are invoked by the two disputants. We forget what ended it. Perhaps another bus came along and splashed the two of them; in which case we can imagine that the now twice-splashed gentleman was completely mollified to see the other catch it after all, and that the two of them went off and drowned the hatchet in a bottle of Worthington. It was a beautiful little problem—one which would have been worthy of a session at the Lambeth Conference. However, the application of this story to what we have been saying is clear enough. In economic life it is not unsplashed people who cause the splashing of other people; it is the lumbering great bus from Threadneedle Street which catches and splashes them all sooner or later.

Some years ago Lord Rothermere issued a manifesto from New York, which was published in the *Daily Mail*, calling upon Britain to allow herself to be equipped with electric plant by American experts. His argument was that Americans knew how to do this large-scale work whereas British engineers had no experience of it. The scheme did not materialise—at least not in the complete, direct and open fashion in which his Lordship envisaged it. Recently there have been indications that American big business is anxious to perform a parallel service for the British Empire. The clearest indication to date is in the *Newcastle Journal* of August 22. Its New York Correspondent reports as follows:

"Declaring that 59 men actually rule the United States, Mr. James W. Gerard, former Ambassador to Germany, has issued a list which omits not only President Hoover and all others elected to public office, but educators, clergymen, artists, and writers. Mr. Gerard concentrates on leaders in banking, the mining, steel, and railroad industries, public utilities, amusements, and journalism. No woman is mentioned.

The list includes John D. Rockefeller, jun., Andrew Mellon (Secretary of the Treasury), J. P. Morgan, George F. Baker (financier), John D. Ryan (president of the Anaconda Mining Co.), Walter C. Teagle (president of the Standard Oil Co. of New Jersey), Henry Ford, Frederick E. Weyerhaeuser (the lumber king), James A. Farrell (president of the United States Steel), Adolph Zukor (the motion picture magnate), the Van Sweringen brothers (railway operators), W. W. Atterbury (president of the Pennsylvania Railway), John J. Raskob (director of General Motors), the Dupont family, Owen D. Young (chairman of the General Electric Board), Thomas W. Lamont (a member of the Morgan firm), Walter S. Gifford (American Telephone Executive),

Samuel Insull (utility magnate), Daniel Guggenheim, William Hearst (the newspaper publisher), Julian Rosenwald (the millionaire philanthropist), and Roy W. Howard (head of the Scripps-Howard newspapers and president of the United Press).

"Mr. Gerard compiled the list in amplification of a paragraph in a pamphlet he recently published on Empire Free Trade. The paragraph read: *Give the 40 men who rule the U.S. ten years for the development of this industrial Empire (Great Britain) and no country on this earth could approach it in per capita wealth.*" Mr. Gerard has added an extra 19 names. (Our italics.)

We have received a copy of Mr. Gerard's pamphlet* (at least we presume it is the same). It has been sent to us for review by the Secretary of the Empire Crusade, accompanied by a circular letter the last paragraph of which is as follows:

"That Mr. Gerard, basing himself on American experience, should of his own initiative recommend to this country a policy identical for all practical purposes with that of Lord Beaverbrook is a coincidence as remarkable as it was undesigned and unforeseen."

Really, if Lord Beaverbrook's "Empire" publicists want to put stuff like this across, they ought to try to stop the importation of news from America. The extract just previously quoted shows that there is no coincidence at all about Mr. Gerard's pamphlet. Granting the possibility of a Beaverbrook Government's succeeding in getting the constituent Dominions and Possessions of the Empire to agree on some basis of commercial unity it could have been foreseen that American finance would want to take a hand in running the Empire. We do not need to depend upon Mr. Gerard's current evidence as to the fact of American interest in such a development, for, months ago, Lord Rothermere envisaged the United Empire as a field for dollar investments. ("A Free Trade Empire! Yes sir, sure we are the boys to fit it up and wire it up.")

Accordingly Mr. Gerard, in his pamphlet, takes an inventory of the resources of the Empire. He begins, as we should expect him to, with gold.

"Already in the greatest essential to world economic power—gold—the Empire produces probably seventy-five per cent. And here let me pause to congratulate those who had the sagacity, the foresight and the courage to put Britain on a gold basis so soon after the ruin of the war—but that is another story." (Our italics.)

This has more than one significance. Our readers, who are fairly familiar with Mr. J. F. Darling's *Economic Unity of the Empire*, will remember that the central feature of his scheme was to conduct Empire trading on Empire credit, and to dump gold into America in settlement of her debt. His principle of Protection, so to call it, was not fiscal protection against American or other foreign goods, but rather a financial embargo on American or other foreign credits. It was to be expected that the banking classes both in London and New York, whatever their opinions were on the comparative merits of fiscal policies, would plump for tariffs without hesitation if they saw that this would be an effective counter-move to Mr. Darling's attempt to make the Empire financially independent of the cosmopolitan credit-monopolists. Mr. Gerard declares at the end of his book:

"It is through the efforts of the banks that British industry will be compelled to reform itself, to modernise antiquated plants and methods, and institute the mass production which alone can bring about effective competition with other and more advanced countries."

He does not specify *what* banks. The British banks' efforts would have to conform to the Bank of Eng-

* "The Great Empire and Imperial Free Trade." By James W. Gerard, G.C.B., LL.D., former American Ambassador to Germany. Published by the Empire Crusade, Grand Buildings, Trafalgar Square, W.C.2. 16 pp. Price 2d.

land's policy, which is controlled by Wall Street (or, if you like, by Mr. Gerard's gallery of American business rulers). We are therefore entitled to infer that the method of banking assistance, whether home or foreign, will be such as to safeguard American finance. If Lord Beaverbrook's tariff wall round the Empire were in being and working according to plan, it would deprive America of markets. At first sight one might suppose that American finance would decline to assist such a scheme. But it does not follow at all that American finance will object on that account so long as there are no impediments to its transferring its credit to where the "best use" is being made of it, to countries where there is the lowest ratio of consumption to production. A contracting American production-output would no more disturb the American financiers than has the contraction in Britain disturbed British financiers. They can always get out in good time and leave the trouble to fall on investors and workers. And even though they did get caught, that would be no great consideration to them. They are not out for profit but for power—the power of exercising effective government over the heads of Ministers and electorates.

Some light is thrown on the matter by the following paragraph:

"We in the United States are not afraid of an industrially United Empire. We shall expect the same fair treatment that we have always experienced in the territories under the King-Emperor, and just as British capital developed the railroads and many of the industries of America, *American capital and American engineers*, skilled in mass production, will help for a time in the development of the revived Empire." (Our italics.)

Here is Lord Rothermere's original proposition and argument for the American development of Britain revived in an extended form. Mr. Gerard speaks pretty expectantly of his country's participation in Lord Beaverbrook's scheme, and we think that it is up to the latter to tell the public a little more about it from this point of view. We notice, too, that Mr. Gerard speaks of our "fatal political weakness" by which "the splendid Empire is being whittled away—Egypt gone and India slipping." So it would seem that even our holding of the Empire, let alone developing it, is dependent on our calling in America. He refers sneeringly in another place to the "safety-first" slogan—a thinly disguised hit at Mr. Baldwin, which gives fresh meaning to Lord Beaverbrook's recent attempt to select his next Cabinet for him. It looks as if the 40 (or is it 50) Rulers of America who seem to be expecting the contract to renovate our Empire had told Lord Beaverbrook that they did not intend to have any "nationalistic, old-fashioned Tories" in key positions, who might come to the conclusion that since Britain already owed the American Contractors a million pounds she would be better advised to do her own rebuilding with her own labour.

Mr. Gerard's list of rulers which we have quoted omits politicians. Other pamphleteers have recently taken to deriding them. It reminds us of a new fashion in dress—nobody can tell for certain whether somebody thought of it first or everybody adopted it together. The ineptitude of the politician is the new fashion. We ourselves might claim to have set it, but not as it is being worn by the misshapen people who have adopted it. Their derision of the politician represents an opposite outlook from our own. They deride him for being an inefficient administrator. We do not. We deride him for his dull wit in neglecting to demand the key instrument of administration, which is *credit*. If you saw a work-

* Particularly note our comment on the last B.B.C. Epilogue on page 215.

man trying to drill a sheet of iron with a lead drill, and saw a group of people laughing at him simply because he was not succeeding in drilling holes, you would conclude that they were either pulling his leg or else were as big fools as he was. The pamphleteers we refer to are not pulling legs; they are phleteers we refer to are not pulling legs; they are putting over wisdom as they see it. A recent example of the type is a Mr. Norman Tiptaft, who has written a book† round a recent trip across the world. He wants a Ring Fence round the Empire, and he wants Parliament warned off from interfering with "matters pertaining to industry and finance." He puts the second idea into the form of a motion which he says he hopes one day to see put in the House:

"That in the opinion of this House, all matters pertaining to industry and finance can be more efficiently dealt with by small non-political committees than by Parliament, and that two such committees therefore be immediately set up, the decisions of these committees to have the immediate force of law."

This is equivalent to establishing a financial dictatorship. For the committees would be packed with bankers' nominees, or, even if not, would have to adopt a policy approved by the banking interests. Nothing can be done without credit, which the bankers alone create and control. No doubt Mr. Tiptaft would reply "Why not a financial dictatorship?" Our reply would be an echo of the sentiment: "Yes, let us have it and see whether they make a better job of it than the politicians." For at least they could not ascribe any unpopular consequences to political ineptitude—although of course they would find some other excuses such as unreasonable wage-demands, profiteering, or what not. Nor could they blame the electorate for electing a Parliament which did not afford a clear majority to any one party—which is the fashionable excuse resorted to by politicians nowadays. We notice by the way that they have dropped the consideration of the subject of Electoral Reform, which suggests that the present prospect of continuous deadlock suits them very well, serving as it does to leave the electors dubious about which performer to pelt with rotten eggs. But Mr. Tiptaft must not hope to see this reform. The politicians are necessary to attract and earth charges of popular indignation which would otherwise, and properly, be directed against finance. Everybody who attacks the politicians on any ground other than that they are consenting to fulfil this subordinate and deceptive rôle, is a bankers' publicity-man, whether he knows it or not. In conclusion let us observe that of all the types of brain that can be mobilised to solve the economic problem the purely "business" type is the very last that should be chosen. The first is that of the power-engineer.

In the *Bank Officer* for August there is an article by BM/NSCJ from which we quote the following:

"To say that unemployment cannot be cured or that something else cannot be accomplished because there are not enough 'pounds sterling' is as sensible as saying one cannot drink the water from the tap because there are not enough half-pints in existence. Railway tickets do not grow on trees; neither does money, which is a measure, an artificial contrivance of the human brain, and limited only by the things it is meant to measure. If the holiday crowds at Whitsun were held up at the railway termini with the empty trains waiting at the platforms, and were told that seats could not be taken because there was a shortage of tickets, there would be trouble. The New York Correspondent of the *Daily News* (11th March) writing on the 'Menace of Too Much Labour Saving' in the U.S.A., ends with the significant sentence, in thick type: 'When machines throw men out

† Business or Bankruptcy? By Norman Tiptaft. Elkin Mathews and Marrot, Ltd. 86 pp. Price 2s. 6d. net.

of jobs, it often leads to the machines themselves becoming idle."

"Orthodox economists have not found a way out from that dilemma—because they do not understand money. We must turn for an exposition of this great mystery to the writings of Major C. H. Douglas and his followers. They alone have smashed the icons of the false god—The Great God Grind."

We are always glad to receive sympathetic treatment in any journal, but it is especially welcome to receive it in a journal representing the interests of bank officers. This is not only because it is a sign that some of them are studying the subject, but because it is a corrective of the idea that we want to abolish the banks. We want them to fulfil the true law of their being: and when they do the country will hold them in the esteem which their essential usefulness deserves. In the meantime they are accentuating the economic problem even by the development of their own efficiency. According to a report in the *Irish Times* of August 22:

"As the process of mechanising the big banks progresses, women steadily are displacing men. The Midland concern is busy converting its branches to machine accountancy at the rate of about one per week. The Westminster Bank is adopting the same system, but on a much smaller scale. In the case of the former, 325 machines, worked by 85 women posting ledgers, etc., have meant the displacement of over 300 men, thereby reducing the annual salary list by £85,000 in a comparatively short period."

It is not clear whether this £85,000 represents a net aggregate reduction in the salary list of the whole of the Midland Bank's organisation or whether it represents the immediate saving on salary account at the offices where the machines have been installed. Some year or two ago it was being pointed out that the multiplication of branch premises would lead to fresh employment at a rate equal to displacements at the busier branches. But in that case the amount of the aggregate salary list would not be reduced, or only slightly so. However, sooner or later the building of new premises must come to an end for we cannot suppose that the bank directorates will build them purposely to re-employ redundant officers. It is not surprising that the menace of displacement is causing concern to bank officers, and that some of them should be investigating the validity of the alleged laws of finance which seem to render such savings of money necessary, especially to institutions which have huge reserves and distribute on the average only half their net profit in dividends. It is in curious contrast to the policy which the Government, presumably inspired by the bankers, adopted at the end of the war of appealing to the patriotism of business concerns asking them to employ disabled soldiers to as great an extent as they could possibly afford to. In the majority of cases the employment was uneconomic, but employers were exhorted to waive that objection for the good of the country. The saving of this money is a sterilisation of useful purchasing power, for no other apparent purpose than to improve the statistical appearance of the bank's stability.

According to a newspaper cutting (not authenticated or dated, let the sender note) the South African Government has made legal the disposal of motor-cars, bought under the hire-purchase system, before completion of payments. Hitherto this has been a criminal offence. The reason given, according to the writer of the article, is that "the present depression is largely ascribable to the fact that the payment of other things." Is this not a dramatic confirmation of what Social Credit has always been stressing, namely that personal incomes are so short that they are needed by two or three sets of sellers at one and the same time—all of them with something to sell.

Naturally the episode shocks the writer of the article:

"This sounds uncommonly like sacrificing to expediency the sanctity of contract, and it would be difficult to imagine any emergency which could justify so dangerous a blow at the foundations of credit and commerce. Nor is it easy to comprehend where the expediency lies in enhancing the purchasing-power of the debtor by destroying the capital of the creditor."

It is "just possible," he concedes, that instalment-selling might raise the peak of a boom and deepen the trough of a slump in trade.

"But, if this story is true, the remedy is certainly not to be found in action which may be interpreted as condoning the repudiation of contract."

Needless to remark that where the remedy is to be found is not even indicated. South Africa looks an interesting place for a holiday just now, and we do not wonder that Mr. Montagu Norman had a fancy to go there. May the good work go on.

The yachting fatality off the Cornish coast last week happened because the distress flares had not been seen from the watch-house in Lantivet Bay. Fifty minutes were lost through this. The coxswain of the Fowey lifeboat stated that if it had arrived fifteen minutes earlier the yacht would have been saved, and Commodore King and Commander Searle would not have lost their lives. The jury added a rider to their verdict that "there was a laxity in the placing of the watches. A watch ought to have been set earlier at Lantivet, and also a constant watch should be kept on the hill at Polruan." Here we have a faithful working-model of the financial frustration of administrative efficiency to which we have referred in connection with Mr. Tiptaft's book. The man at the Looe coastguard station said that he set the watches under instructions from the man at the Fowey station. The latter said that he issued the instructions under orders from his superior officer. That is as far as the story at the inquest goes. A further investigation would, without a doubt, trace the responsibility right up to the Board of Trade. The Board of Trade would have replied: "Yes, there has been inefficiency: but we claim to have done our best with the money we are allowed to expend, and challenge anybody to show how he would have done better under the same financial limitations." (We may remark here that one of the duties which Mr. Tiptaft's precious business committee would attend to would be—in his own words—to "ration the Spending Departments.") In the present situation of dense ignorance about the existing credit-system, the investigation would of course collapse before the Board's plea of "can't afford to do it better." But a body of investigators who had grasped the subject would have had no hesitation in converting the Cornish jury's rider into a definite censure of Mr. Montagu Norman. It is true that he could plead that he is in a similar position to the Looe coastguardsman, and does what he does under instructions from his superior officers in New York. But that would not exonerate him; because he ought to have informed the public of the position as soon as he became Governor. It is a pretty warm proposition that we must lose two valuable naval officers just because Mr. Norman chooses to keep America's secrets.

Under the bankers' imposed system of wanton economising, the provision and manning of watch-houses is decided by reference to whether they are revenue-earning or not. Watches are set, not to save life, but to prevent smuggling. And it is an ironical consequence that the keenest watch is kept in those places where it is safest to come in shore. If Lantivet Bay had happened to be a convenient landing place for kegs of French brandy, all the

cliffs and hills around would have been studded with watchers night and day, with binoculars, searchlights, patrols, and goodness knows what other refinements in the art of detecting duty-dodgers. As it is, however, the job is left to Davy Jones who works for nothing—which is probably why he runs amok.

The Films.

The Sea Bat: Empire.

South Sea films and stage plays, as is the case with novels dealing with the same romantic locality, are not as a rule true to life. Most of the male characters are of an incredible and unrelieved ruffianliness, while the casting of a white woman for the rôle of a Tahitian maiden is not the best method of carrying conviction, especially in a talkie. In "The Sea Bat," this particular difficulty has been overcome by making Raquel Torres the daughter of a Spaniard, unctuously played by George F. Marion, the Old Chris of "Anna Christie," so that her accent is in keeping with the part, even if the latter be stereotyped. The appeal of this film lies in its remarkable undersea and outdoor photography, and although it is not, as its makers claim, another "White Shadows," it provides very good entertainment and has the advantage of lying off the beaten track. Charles Bickford gives a convincing and forceful study of the escaped convict from Devil's Isle masquerading as a clergyman, and all the principal rôles are well cast. Wesley Ruggles directed.

Our Modern Maidens: Empire.

As one would guess from its name, this film is by way of being a pendant to "Our Dancing Daughters." It is not the equal of that quite remarkable production, but resembles it in giving a not particularly flattering picture of American youth. Joan Crawford, whose best is very good, but whose directors nowadays permit her to be much too stereotyped in gesture and facial play, appears in the not very original rôle of a modern young woman whose freedom of manners does not correspond with her freedom of morals, to the surprise of the would-be seducer who afterwards marries her. Anita Page is also given a stereotyped part, that of the girl who sacrifices her lover to her best friend, but Miss Page's impersonation rings true. Hitherto she has been chiefly remarkable for the charm of her juvenile beauty; in this film she demonstrates that she can lift an ordinary part to a high level with a result that is as convincing as it is sympathetic. Her impersonation is, indeed, the high spot of the film, which is incidentally silent, although wedded to a synchronised musical accompaniment.

Let Us Be Gay.

The only defect of this most amusing and well-acted film, which is based on the play of the same name by Rachel Crothers, is that it never makes up its mind whether to be a comedy of manners or to exploit to the utmost the theme of the woman who divorces her husband and is then won back by him. This situation forms, of course, one of the stock themes of the stage, and has been known to happen in actuality, notably among film stars, and it can be approached either from the angle of artificial treatment or be taken *au grand sérieux*. Miss Crothers (I assume that the film closely follows the play) appears to have tried to make the best of both worlds, and the inevitable result is a certain failure to convince the spectator that he is dealing with real people, which lessens the dramatic interest. But the film is so admirably acted, produced, and directed, and the editing is so extraordinarily good, that the outcome is a most entertain-

ing piece of work which should prove a distinct box office success.

As the twice-wooded wife, Norma Shearer plays for the greater part in the artificial vein. Hers is an excellently finished performance, and she is one of the veterans of the screen whom the talkie has endowed with fresh gifts, but one would have liked to see her in a part more of one piece. Rod La Rocque seems to me not too well cast as the husband; he lacks both the fire of the ardent lover and the casualness of the Don Juan whom his wife accuses him to be. The nature of his impersonation may be due to temperamental characteristics or to direction, and one may be pardoned for doubting whether he is really as much in love with his ex-wife as he professes to be. The star of the production is Marie Dressler, who, as usual, contrives to steal every scene in which she appears. Miss Dressler is also a veteran whom sound has lifted to fresh heights of achievement; to hear her utter the single word "Yeah" is to realise that there are certain master artists of pantomime whose gift of vocal inflection is too precious not to be exploited to the full.

I understand that the date on which "Let Us Be Gay" is to be presented has not yet been fixed. It is to be given at the Empire, where it was privately shown shortly after midnight on the Monday before last, the date of the London première of the stage play, in which Tallulah Bankhead has the leading rôle. Discussion of the relative merits of the two versions appears to be one of the burning topics of the day, and although I have not seen the stage production, I refuse to believe that any living actress can rival Marie Dressler in this type of rôle.

DAVID OCKHAM.

ECONOMIC PROGRESS.

16th Century.

High ladies taste for comfits,
And sailors' taste for rum,
Great monarchs' love of cannon
To strike their subjects dumb,
Gave rise to concentration,
Which ended in the slum.

17th and 18th Centuries.

Then plain men's love of spices
Disturbed the Eastern seas;
Whence cotton came to banish
The wool-clad Western's fleas:
Until the cunning chemist
Made garments out of trees.

19th Century.

Macadam made the highways
Along which coaches raced,
Till railroads came and conquered,
So soon to be abased
By rubber from Malaya—
By gasoline outfaced.

20th Century.

Now sugar's in abundance,
Wheat, cotton, iron ore,
Lead, petrol, cocoa, rubber,
Tin, soda, wool galore.
Persistent advertisers
Try hard to sell us more.
They proffer bread and wireless,
Books, houses, whisky, wine,
Tobacco, boots, and razors,
Beer, shirtings superfine,
Adhesives, automobiles,
And gowns of choice design.

They clamour for our money,
Round every corner lurk,
Proclaiming in the papers
That buyers must not shirk.
Yet politicians tell us
That what we need is Work.

B. S. R.

The Present Discontents.

By M. J.

It is good for us members of a Servile State to turn back sometimes to such great figures of the past as Milton, author of the noble phrase, "that honest liberty is the greatest foe to dishonest licence," and Burke, who could write without irony of the "vigilant and anxious jealousy of a free people," and even Junius, the high-minded assassin of politics, and to shame ourselves by finding in their writings that active passion for constitutional liberty by which, in those days, an Englishman was known. There is, too, a more practical reason for studying Burke; the history of past centuries has little direct bearing on the troubles of to-day, but an apt historical parallel can sometimes score heavily in debate; and those who object to our contention that Parliament, like Gulliver, has been bound while sleeping by a thousand threads of gossamer, any one of which would snap at the movement of a little finger, may be convinced, on the authority of a great political thinker, that the thing has happened before and may therefore be happening again. "Thoughts on the Present Discontents" was a direct attack on the "double cabinet" system, by which the Cabal, Court Party, or interior Administration, as Burke variously calls it, had contrived to rule the country by "backstairs influence and clandestine government" and to throw the odium of their oppression on to Parliament. The following series of quotations will be enough to suggest the parallel between the Court Party of George the Third and the Mansion House Party of to-day.

I am not one of those who think that the people are never in the wrong. They have been so, frequently and outrageously, both in other countries and in this. But I do say that in all disputes between them and their rulers the presumption is at least on a par in favour of the people. Experience may perhaps justify me in going further: the people have no interest in disorder. When they do wrong, it is their error, and not their crime.

It is not to be argued that we endure no grievance, because our grievances are not of the same sort with those under which we laboured formerly—not precisely those which we bore from the Tudors, or vindicated on the Stuarts. A great change has taken place in the affairs of this country. For in the silent lapse of events as material alterations have been insensibly brought about in the policy and character of governments and nations as those which have been marked by the tumult of public revolutions.

Every age has its own manners, and its politics dependent on them; and the same attempts will not be made against a constitution fully formed and matured that were used to destroy it in the cradle or to resist its growth during its infancy.

Against the being of Parliament, I am satisfied, no designs have ever been entertained since the Revolution. Everyone must perceive that it is strongly to the interest of the Court to have some second cause interposed between the Ministers and the people. The gentlemen of the House of Commons have an interest equally strong in sustaining the part of that intermediate cause. However they may hire out the usufruct of their voices, they will never part with the fee and inheritance. It must be always the wish of an unconstitutional statesman, that a House of Commons who are entirely dependent on him, should have every right of the people entirely dependent on their pleasure. It was soon discovered that the forms of a free, and the ends of an arbitrary Government, were things not altogether incompatible. (My italics.)

For the future, Court and Administration were to be considered as things totally distinct. By this operation, two systems of Administration were to be formed: one of which should be in the real secret and confidence; and the other merely ostensible, to perform the official and executory duties of Government. The latter were alone to be responsible; while the real advisers, who enjoyed all the power, were effectually removed from all the danger.

The third point, and that on which the success of the whole scheme ultimately depended, was to bring Parliament to an acquiescence in this project. Parliament was therefore to be taught by degrees a total indifference to the persons, rank, influence, abilities, connections, and character of the Ministers of the Crown. By means of a discipline, on which I shall say more hereafter, that body was to be habituated to the most opposite interests, and the most discordant politics. All connections and dependencies among subjects were to be entirely dissolved. As hitherto business had gone through the hands of leaders of the Whigs or Tories, men of talents to conciliate the people, and to engage their confidence, now the method was to be altered; and the lead was to be given to men of no sort of consideration or credit in the country. This want of natural importance was to be their very title to delegated power. Members of Parliament were to be hardened into an insensibility to pride as well as to duty. Those high and haughty sentiments, which are the great support of independence, were to be let down gradually, and thus Parliament was to look on, as if perfectly unconcerned, while a cabal of the closet and backstairs was substituted in the place of a national Administration.

To reconcile the minds of the people to all these movements, principles correspondent to them had been preached up with great zeal. Party was to be totally done away, with all its evil works. Corruption was to be cast down from Court, as Até was from heaven. Everyone must remember that the Cabal set out with the most astonishing prudery, both moral and political. Indeed, there was wherewithal to charm everybody except those few who are not much pleased with professions of supernatural virtue, who know of what stuff such professions are made, for what purposes they are designed, and in what they are sure constantly to end.

While the Ministers of the day appear in all the pomp and pride of their power, while they have all their canvas spread out to the wind, and every sail filled with the fair and prosperous gale of royal favour, in a short time they find, they know not how, a current, which sets directly against them; which prevents all progress, and even drives them backwards. They grow ashamed and mortified in a situation, which, by its vicinity to power, only serves to remind them the more strongly of their own insignificance. They are obliged either to execute the orders of their inferiors, or to see themselves opposed by the natural instruments of their office. With the loss of their dignity, they lose their temper. In their turn they grow troublesome to that Cabal, which, whether it supports or opposes, equally disgraces and equally betrays them.

The Court Party contrive to form in the outward Administration two parties at the least; which, while they are tearing one another to pieces, are both competitors for the favour and protection of the Cabal; and, by their emulation, contribute to throw everything more and more into the hands of the interior managers. In truth, they have so contrived matters, that people have a greater

hatred to the subordinate instruments than to the principal movers.

That the Court Party may be enabled to compass all the ends of its institution, its members are scarcely ever to aim at the high and responsible offices of the State. They are distributed with art and judgment through all the secondary, but efficient, departments of office. They are fully indemnified for not holding places on the slippery heights of the kingdom, not only by the lead in all affairs, but also by the perfect security in which they enjoy less conspicuous, but very advantageous, situations. Conscious of their independence, they bear themselves with a lofty air to the exterior Ministers. Like Janissaries, they derive a kind of freedom from the very condition of their servitude. They may act just as they please; provided they are true to the great ruling principal of their institution; it is therefore not at all wonderful that people should be desirous of adding themselves to that body, in which they may enjoy at once all the spirited pleasures of independence, and all the gross lucre and fat emoluments of servitude.

These are the consequences inevitable to our public peace, from the scheme of rendering the executory Government at once odious and feeble; of freeing Administration from the constitutional and salutary control of Parliament, and inventing for it a *new control*, unknown to the constitution, an *interior Cabinet*; which brings the whole body of Government into confusion and contempt.

Russia's Economic Blind Alley.

By Alec Henderson.
I.

At the opening of the twentieth century Russian industry was affected by a crisis of over-production, and one of the causes of this crisis was that in the home market there was an insufficiency of effective buyers, for the Russian peasant was too poor and his methods of agriculture were too primitive. But from 1908 onwards there was a revival of industry. Considerable amounts of foreign capital were invested in Russia, so much so, that according to P.O. ("Foreign Capital in Russia") one-third of all the capital invested in Russian industry in 1913 was foreign capital. Further, N. Venag ("Financial Capital in Russia Shortly Before the Great War") calculates that in the same year all the share capital of the locomotive works, 96 per cent. of the capital of the shipbuilding works, 77 per cent. of the capital of the machine-making works, 75 per cent. of coalmining capital, and 85 per cent. of the petroleum industry, were in the hands of the banks. Russia had (and still has, of course) an abundance of natural treasures, but owing to the deficient utilisation of her productive powers, she occupied a very low position in the scale of world industry.

Then came the war. Events in Russia moved along similar lines to those in this country. The needs of national defence made it necessary for a speedy transformation and reorganisation of productive activities, which had to be adapted to the supply of munitions, etc., for war purposes. The State provided industry with abundant financial means, obtained by domestic and foreign loans. As is to be expected, a study of the development of Russian industry during the war shows that the fixed capital of industry—above all, machinery, motor appliances and equipment—underwent a very great increase. At the same time the subordination of industry to financial capital advanced with rapid strides. But, as elsewhere, the scarcity of food and the great rise in prices, led to extensive strikes on the part of the workers. The authorities made

various attempts to deal with the situation, but the Tsarist Government, having close ties with the leading circles of the industrial bourgeoisie, was unable to undertake energetic methods which would have run counter to the interests of the great industrialists. After the revolution of March, 1917, the provisional Government undertook to regulate and control industry. A Chief Economic Committee was appointed, but this Committee had at once to counter the resistance of the industrial magnates, and pursued a vacillating policy. Consequently, it was of little practical importance. The effects of the war upon agriculture were still more momentous. Millions of men were withdrawn for service in the army; the production of agricultural machinery was almost completely arrested; and the number of horses available for farm work declined rapidly. The result of all this was a great falling off in the yield of the land. Obviously the cessation of the export of grain during the war must have mitigated the scarcity of foodstuffs for home consumption, but even so, by the second year of the war there was already manifest a great shortage of grain in the towns. The failure of industry to supply the tools, etc., needed by the peasants, had deprived these of the necessary stimulus to the sale of grain and other agricultural produce. By 1917 the general decay of industry, commerce, transport, and the governmental apparatus had assumed such catastrophic proportions that the Coalition Government was no longer able to cope with the increasing hunger of the towns. The war, and the economic collapse—these were the main factors of dissaffection among the broad masses of the workers, and these were the pre-requisites to the success of the November revolution.

Immediately after seizing power the Communists declared that all the land, all the factories and workshops, all the enterprises, all the houses in the country, to be nationalised. All the banks were done away with; the money and securities in the banks, all the goods in the storehouses, etc., were declared State property. Money was no longer a legal instrument of exchange. Work was declared to be everyone's duty. "He who will not work, neither shall he eat." Almost the whole of the population became State employees. The State undertook to supply the population gratuitously with food, clothing, and shelter; to satisfy everyone's needs in the matter of books, newspapers, schools and theatres. The Communists declared that they were establishing "a new and unprecedented structure of a working community." The population was to receive not only food, but all articles of consumption through the working of a system of food cards, etc. But the attempt failed. Industrial production sank to 17 per cent. of the pre-war level, and in some cases even as low as from 1 to 2 per cent. The peasant, receiving nothing from the town, refused to supply the town with grain and other agricultural produce, and when the State tried to secure the products of the peasants' labour by force, the peasant rejoined, here and there by risings, and everywhere by restricting the area under cultivation, by a limitation of cattle-breeding and dairy farming. Agricultural production was reduced to 40 per cent. by the year 1921.

The State apparatus, hastily improvised and prematurely centralised, managed by inexperienced officials, proved absolutely incapable of organising a rationed supply of perishable goods and seasonal products, and in 1921 the Soviet Government had to admit that the policy of an immediate introduction of Communism had failed. Hastily the authorities abandoned the attempt to expropriate the peasants' corn by force, permitted free trade within the country, allowed private capital to be used for the promotion of small scale industry, and admitted private capital to large scale industry

also, upon a concessionary basis. Payment for national and municipal services, for school attendance and for medical aid was reintroduced. The exchanges and banks were re-opened, taxation was once more inaugurated, and so on. The transition to Nep demanded a radical change in the organisation and management of nationalised industry and this process of reorganisation lasted until the middle of 1924.

According to official reports, the production of the nationalised industries had, on the average, reached the pre-war condition by the beginning of the year 1927-28, but the pre-war standard of production does not suffice to supply the needs of economic life, or to meet the wants of consumers in general. Indeed, even before the war, the supply of the country with the products of industry was altogether inadequate. The rapid advance in Russian industry that took place during the two decades before the war was due to the expansion of Russian agriculture and to the general increase in the demands of the Russian population. The scarcity of industrial products which has been persistent of late years, shows that in the general interests of Russian economic life there ought to be a much more rapid development of industry. But here the problem of industrialisation is intertwined with the necessity for the investment of large quantities of capital in industry, for the provision of capital goods. The most authoritative economists of the Union, when they estimated the total productive capacity of the fixed capital of Soviet industry after the investments of recent years and allowing for wear and tear, came to the conclusion that the fixed capital of industry at the close of the year 1927 was worth less than the fixed capital of Russian industry before the war. Since the introduction of Nep, the Soviet Government has tried various methods of solving the problem of financing industry. Down to 1923 this was effected by inflation, until the disastrous results of the crumbling of the main pillar of economic life made it necessary for the Government to show a little moderation in the use of the note-printing presses. The next idea was to finance industry by charging very high prices for industrial products, but ere long this method, too, had to be abandoned, for the peasants naturally restricted their purchases more and more, and it was impossible for industry to market its products. Of late years there has been a combination of various expedients. In the year 1927-28 48 per cent. of the general repairs by industry for new plant and general repairs was obtained out of the actual capital of these industries, that is to say, out of the depreciation funds and out of profits; whilst 52 per cent. was supplied in the form of State subsidies derived from taxation and from loans.

During the pre-war years there was a notable expansion in Russian industry, the reason being that there was a rapid advance in general prosperity, so that the purchasing power of the population was growing to the accompaniment of an increase in savings. Industry was able, through the foundation of joint-stock enterprises, to draw upon the capital that was accumulating in the country, and, thanks to the increasing market, it could turn that capital to account usefully in production. At the same time considerable quantities of foreign capital were flowing into industry, commerce, transport and the banks. Under existing conditions in Soviet Russia, the prospect of being able to draw upon the two financial sources at home and abroad, are very unfavourable. Attempts have been made to raise internal loans, but the possibilities of this means of providing capital are slender. Besides since 1926-27, a considerable proportion of the new loans has had to be devoted to the paying off of the earlier ones, which were issued only for short terms. Nor has the Soviet Government had much success in its endeavours to

attract foreign capital for investment in the country. Many milliards are needed and for long terms, but all it has been possible to secure is the purchase of goods on short credit, or loans for three to four years to be expended upon the purchase of machinery in the country from which the loan comes. When, three years ago, a credit of 300,000,000 marks was secured from Germany, this was hailed as a great success; but, when, in the autumn of 1928, the first payments became due for the machinery which in most cases was not even mounted in the works, the most optimistic of the Soviet economists became aware that the industrialisation of their country would only be rendered possible by credits for a much longer period. The lack of capital, the consequent impossibility of rapidly expanding the technical process of production, have forced upon the managers of Soviet industry the rationalisation of production as an inevitable necessity. The irony of history has assigned to the Communists even after the introduction of Nep, the rôle which usually has to be played by the representatives of the industrial bourgeoisie; they have had to compel the workers to emerge from revolutionary chaos. After scrapping the traditional methods of managing enterprise, they have had to return to a regime of steady work, to an enforcement of the authority of foremen and managers, to a realisation of working discipline. The only domain of rationalisation in which considerable results have been achieved in the way of increasing productivity is that which concerns getting more intensive work out of the workers. In the year 1927-28 the Soviet Government, having set agoing all the reserve enterprises, found it necessary, in order to increase industrial production, to have recourse to the expedient of a third shift. No doubt the adoption of a three-shift system and the introduction of a seven-day working week for the machinery does give an immediate result. Production is increased. But the increase is secured at the cost of the acceleration of the process of wearing out an already rickety plant, and it makes the problem of a renovation of the industrial capital more urgent than ever before.

(To be continued.)

Crowley's "Come-Back."

By I. A. O.
I.

*An Adept would a-wooing go,
I.A.O., says Crowley!
Whether his mother would let him or no,
With a holy-Crowley, gammon and spinach,
I.A.O., says Aleister Crowley!*

Mr. P. R. Stephensen has had a shot at what he call "whitewashing" the record of one, Aleister Crowley.* Mr. Stephensen hopes, he says, that the publication of his book about Crowley may help to "form a truer estimate of the case concerning an English man of letters whose literary achievement is undeniable, whatever else may be said or rumoured."

This book begins by saying: "Aleister Crowley is a man." It appears that some poor mutts imagine him to be "a demon (to put it mildly) in human guise." Being no occultist, Mr. Stephensen is not able to settle such magical disputations. We are told that Crowley is "an interesting man, an extraordinary man; and, further, he is a dangerously good poet both in his poetry and in his life." Yet, for thirty years, people have been "throwing mud" at him. And so, a "legend of infamy" has been daubed across his reputation as a Man and as a Poet.

According to Mr. Stephensen, Aleister Crowley

* The Legend of Aleister Crowley." By P. R. Stephensen. (Mandrake Press, price 2s. 6d.)

is "anathema and tabu." James Douglas, of the *Sunday Express*, and poor old Horatio Bottomley, one-time editor of *John Bull*, appear as the "mud-throwers in chief against the Aunt Sally under investigation."

They have painted Crowley in dollops of lurid journalism as a Bad Lad, all mixed up with Black Magic and such-like goings-on. The book under review is full of press clippings from the *Sunday Express* and *John Bull* giving us examples of the kind of mud-slurging that is complained of. Nevertheless, the fact seems to remain that, all through his life, so far, Crowley has "asked for trouble" and got it. We take it that he got what he wanted. He quite obviously set out to be the Big Noise in the Occult World—the Cat's Whiskers in Black Magic. And naturally, all the swarm, the brood, of dabblers in magic were upset, delighted, scared, excited, and generally stimulated. There are, we understand, quite a number of "hermetic societies"—people interested in magic, magical lore, magical rites, and the occult in general. They are, according to their own statements, students of magic on the "right hand path." That is to say, of White—and therefore, quite harmless—Magic. So far as one can gather, their magical studies might include the study of devil-worship, the "black mass," and other awful conjurations, curses and ritualistic orgies (simply as matter of historical or traditional interest), but whatever "magical" practices such societies carry out are very far from being anything remotely resembling the Witches' Sabbath. Such groups look askance and in horror upon the "left hand path"—and, since they believe in the power of magic, they are necessarily afraid, or half afraid, of the Black Magician. Members of hermetic and occult societies are merely students when it comes to the dreadfully diabolical doings as recorded in the writings of the magicians of the Middle Ages.

These respectable, middle-class, suburban mystics and students of the occult were rather disturbed—and some of them very worried indeed—when their Pleasant Occult Afternoons were rudely (oh, very, very rudely!) disturbed by Aleister Crowley, about 1908, when he stood forth boldly as one who was not afraid to trace a Magical Circle from right to left and to use such ritualistic equipment as goat's blood and honey (if he had a mind to do so) with real intent to conjure up demons and not merely as a student.

As was only to be expected, there was much ado about nothing in the occult world. And when, as it proved, this man Crowley could write—could write a surge of rich and rolling thunder; could write passages that fled up to the pale moon, and fell down again in spinning nose-dives of delirious rhythmic rhetoric, down, down, down to the bottomless abyss—it made the little worms squirm.

Crowley's complex is contained in the one word "Magick" (not in the word "magic"). He is also a poet of—in patches—great ability, and a writer—here and there—of first-class prose. But, from the point of view of literary "success," his pre-occupation with Magick has done him in.

Mr. Stephensen tells us that during youth and adolescence Crowley's:

"chief hobbies had been poetry, chemistry, mathematics and chess; his chief sport had been rock climbing, in which he had already attained a notable proficiency; and his chief antipathies had been religion, as practised among the strict Plymouth Brethren to which his family belonged, and home life as personified in the bigotry and fanatically repressive Puritanism of his mother. It was his mother who called him 'The Beast 666,' a mystical designation which he has not been averse from accepting."

In "The Sword of Song" (1904) Crowley had the number "666" printed on the cover, and on the back cover the name Aleister Crowley appears transliterated into Hebrew characters, kabalisti-

cally, arranged to add up to 666. He refers to those who:

"By all sorts of monkey tricks
Add up my name to six six six."
and, doing his best to create the legend of The Beast, boasts:

"Ho! I adopt the number. Look
At the quaint wrapper of this book!
I will deserve it if I can:
It is the number of a Man."

Right. But why try to "whitewash" the Man? Mr. Stephensen has evidently had access to Crowley's press-cuttings book, and also to other papers and documents, including a copy of at least one private letter (written to Betty May, Oct., 1922), so we must suppose that Mr. Stephensen has written this book with Aleister Crowley's approval? Therefore, one may suppose, Crowley wishes to be "whitewashed"?

Well, be that as it may, for the fact is we are not very interested either in the Bad Lad Legend or the Great Poet Puff.

What would be interesting to know is why Crowley has seen fit to preoccupy himself with Magick to such an extent and in such a way as to bring him all sorts of worry and botheration. What is the use of it? Where does it lead? Is it worth it?

Mr. Stephensen gives us a clue when he says: "If we remember that Aleister Crowley is a poet, both in his work and in his life, and that his pre-occupation with 'Magick' during the days of the famous *Equinox* (publication) was a fulfilment of his promise, previously quoted, to 'give back its youth to the world,' we shall understand better what happened during his 'Equinox period.'"

We understand from this that Crowley was, and may still be, an "idealist." In 1907 Crowley wrote:

"We are the poets! We are the children of wood and stream, of mist and mountain, of sun and wind!
Under the stars I go forth, my brothers, and drink of that lustral dew; I will return, my brothers, when I have seen God face to face, and read within those eternal eyes the secret that shall make you free."

"Then will I choose you and test you and instruct you in the Mysteries of Eleusis, oh ye brave hearts, and cool eyes, and trembling lips! I will put a live coal upon your lips, and flowers upon your eyes, and a sword in your hearts, and ye also shall see God face to face."
"Thus shall we give back its youth to the world . . ."

(To be continued.)

Reviews.

British Railways and Unemployment. By E. R. B. Roberts. Industrial Transport Publications, Ltd., Dudley House, Southampton Street, W.C.2. 65 pp. 1s. net.

So long as the right financial key to prosperity is left hanging on the hook every door but the right one will be opening in a vain hunt for the missing treasure. Mr. Roberts has chosen the door of the British railway system and invites us to look through the room. Among the exhibits are such things as 700,000 privately owned trucks belonging to 6,000 separate owners; low-capacity wagons; 6,000 railway stations not provided with coal-storage accommodation, and so on. In a word, Mr. Roberts shows how the railways could save expense or make more efficient use of their expenditure. His little book is well worth its money to anyone who wants to "cram" railway lore and practices.

It is a concise assemblage of the salient features of railway administration in this country, including some interesting comparisons with administration in other countries. Underlying all his problem it has no immediate value. The procedure of reasoning there is the implicit assumption that the economies of economy revert to the consumer, whereas actually they revert to the banker. Also there is another implicit assumption that railway economies will somehow absorb the employed workers—presumably somewhere else than on the railways. True enough such a result could happen, but only on the condition that the economies enabled this country to secure new foreign markets. Naturally to anyone who accepts the beggar-my-neighbour policy as inevitable, this market grabbing will appear the only thing to do. But it stands to reason that the attempt to make the foreigner pay

your wage bill cannot work for long. Everybody in the world is a "foreigner"! So as an economic necessity every country must in the end pay its own wage bill. The problem for each is how to economise internally without reducing incomes internally. However, these reflections take us outside the scope of Mr. Roberts's book. All his suggestions are useful, but premature. Before we go in for any more intensification of economising we have to see that the world is made safe for it. This task is impossible under the existing policy of the bankers, but is demonstrably feasible under the new credit-policy advocated by this journal.

LETTERS TO THE EDITOR.

THE CHURCH AND SOCIAL CREDIT.

Sir,—The letter from my friend "Old and Crusted" and Mr. Reekitt's article inspire me to write to you on a subject rendered, perhaps, particularly topical by the recent pronouncements of the Bishops as a result of the Lambeth Conference.

However much our sympathies may be with the official Church (and by family associations, if for no other reason, my own would certainly be so), the report of the Lambeth Conference must make it clear that, so far from looking to the Bishops for any assistance with questions of importance, they can only be regarded as the tools of reactionary interests where they are not merely platitudinous.

It will not have escaped notice that the financial system, which more than any one other single cause is at the root of the world's difficulties to-day, is never so much as mentioned in the whole of the report. On the other hand, such matters as the League of Nations, the Kellogg Treaty, and other matters which are in essence far more complex and require more technical knowledge and experience to assess them at their true value than would be required to understand the general bearings of the financial system, are specifically referred to with unqualified approbation.

The condemnation of war, without any examination or condemnation of the causes which lead to war, must surely read strangely to those who are accustomed to hear the signatories of the resolution exhort them to "fight the good fight."

The general deduction to be drawn from the published conclusions of the Bishops in Conference is, I think, a confirmation of the claim which has often been made, that organised priest-craft, more especially in its higher ranks, has always been a device for the delusion and enslavement of the general public, and should make it obvious that it is more necessary at this time than perhaps ever before, to distinguish between the spirit of Christianity and its public presentation by the Bishops of the Churches.

C. H. DOUGLAS.

DIGGING AT WOMAN.

Sir,—What a pity that R. M. has clouded the logic of an otherwise sound argument by the necessity under which he labours to have a dig at woman.

He says, probably truly, that "unless we institute the state of creative leisure, we are likely to be landed in a state of banker slave-owners and women-slaves," and later that "a stabilised world would assuredly be one of masterments and slave-women." What is there in these statements to justify the conclusion that, unless we institute the state of creative leisure, man "has made of the whole planet a toy for women to play with alone?" Slaves do not necessarily play, and there is no particular reason for supposing that the bankers of the future will be women.

E. V. H.

MR. WELLS AND MR. VOWLES.

Dear Sir,—Your paragraph about Mr. Wells in your issue of August 7 contains a mis-statement which I have underlined. You may like to correct it. Mr. Vowles was not the only person who was to have collected material for Mr. Wells nor was there any litigation. The amount necessary to compensate Mr. Vowles for the discontinuance of his collaboration was settled by an arbitrator.

LUCIENNE SOUTHGATE.

Secretary to Mr. H. G. Wells.

THE ECONOMIC OUTLOOK OF SOUTH AFRICA.

Sir,—For a very definite reason I obtained a copy of the "Johannesburg Star" for July 14, but after carefully looking through it, I could not find the speech reported of Mr. H. S. Lyons. Is it possible that it is a printer's error in your two issues and that June 14 was intended? For your readers' information the copy above was obtained from: Argus South African Newspapers, Ltd., 72, Fleet Street, E.C.4, and June 14 issue could not be supplied.

[Sorry. The date was June 14.—Ed.] C. G.

ANSWER TO CORRESPONDENT.

SOCIAL CREDIT AND THE STOCK EXCHANGE.

Would a Social Credit system require the abolition of the Stock Exchange? This is a question received from a correspondent, who gives indications that he rather sympathises with people who like to operate on 'Change.

The general answer is that nothing need be forbidden which does not interfere with the principle that consumers shall collectively take out of the retail market all the goods that industry can place there. Suppose that during a certain period the community allocated half its income to investment or speculation; this would mean halving its potential demand for goods. Assume that as a consequence only half the production of that period were sold. In the next period the Social-Credit price-factor would make the total surplus saleable. This price-factor ensures that the total output shall, period by period, be delivered to the people who demand it in return for the money they bring to buy it. Suppose that, by some miracle, everybody except one solitary person stopped consuming, then the purchasing-power of this person's income would automatically become equivalent to the total price-value of all the goods on the market. This would be because the initial effect of the practical extinction of consumer-demand would be reflected in accounting figures of something like the following order of magnitude: New production offered on the market, £50,000,000; cost of goods actually sold, £5. On such figures the price-factor for the ensuing period would be unity divided by ten million; which would mean that our solitary individual would find that every £1 note he had would buy ten million pounds' worth of goods. And supposing that this had all resulted from the fact that the rest of the community had ceased consuming in order to invest their incomes, we can imagine these investors scratching their heads and wondering whether there was not a lot more fun in bargain-hunting at the shops than margin-hunting on 'Change.

But, leaving miracles out, the fact is that whereas money absorbed by the Stock Exchange does at present starve the consumption-market, it will cease to do so under Social Credit because of the compensatory effect of the issues of national credit indicated by the price-factor.

The real question is not what shall be done to the Stock Exchange, but what it will do with itself. It is at present kept going by savers, profit-hunters, and gamblers. Will the motives of these people persist in the new dispensation, and if they do, will they retain their existing form of expression? This is a matter of speculation, and anybody's answer is as good as our own.

THE PRO-AMERICAN B.B.C.

The repeated suggestions by Herbert Rivers in his series: "About Things," in this journal, that the readings from the Scriptures in the B.B.C.'s Epilogues on Sunday nights are co-ordinated with financial propaganda, received striking confirmation last Sunday, when the reading-matter was made up of selected passages from the twenty-seventh chapter of Ezekiel. Any reader who cares to peruse this chapter cannot fail to be struck by its peculiar appositeness to Mr. Gerard's references to the British Empire. The prophet's "lamentation" over the departed glories of Tyre, and his allusions to her former industrial and shipping supremacy, bear an almost grotesque resemblance to the utterances of the American ex-Ambassador regarding the imminent downfall of the British Empire. In view of the Astor-Snowden (and Astor-Labour) relations which we referred to in our Notes some time ago, we suggest that our Foreign Office, War Office, and Admiralty really ought to do something to get Mrs. Snowden out of her position as a director of the B.B.C. She means well, no doubt, but there are other forms of activity for well-meaning people which are much less mischievous when bungled than is the one to which she is assigned.

"The British bankers, led by the Midland Bank's famed Reginald M'Kenna, did an exactly opposite thing, came out in favour of building a tariff wall around the Empire. Up to last week, so far as anyone knew, they were Free Traders. Mr. M'Kenna is a Liberal, and the Liberal Party is pledged to Free Trade. Mr. M'Kenna was Chancellor of the Exchequer in Asquith's Coalition Cabinet (1915-16), a Free Trade affair. True, Mr. M'Kenna was the author of that half-hearted levy on imported products, the 'M'Kenna Duties,' but they were carefully disguised by the term 'luxury war taxes,' and Chancellor M'Kenna would have been hooted, perhaps pelted in the streets, had he not insisted, 'I stand basically for Free Trade.'—*Times*, July 17.

THE "NEW AGE" CIGARETTE

Premier grade Virginian tobacco filled by hand in cases made of the thinnest and purest paper, according to the specification described in an article in this journal on January 23.

Large size (18 to the ounce). Non-smouldering

Prices: 100's 7/6 (postage 3d.); 20's 1/6 (postage 2d.)

Price for export ex English duty quoted on minimum quantity of 1,000.

FIELDICOVITCH & CO., 72, Chancery Lane, W.C.2
(Almost on the corner of Holborn and Chancery Lane).

A consecutive introductory reading course in Social Credit is provided by the following sets of pamphlets:—

SET A.

Comprising:—

Social Credit in Summary (1d.).
The Key to World Politics (1d.).
Through Consumption to Prosperity (2d.).
Great Britain's Debt to America.
Post free, 6d. the set.

SET B.

Comprising:—

Set "A" above.
The Veil of Finance (6d.).
Post free, 1s. the set.

CREDIT RESEARCH LIBRARY, 70, High Holborn,
W.C.1

The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or Abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

CREDIT RESEARCH LIBRARY

Books and Pamphlets on Social Credit.

BRENTON, ARTHUR.

Social Credit in Summary. 1d.
The Key to World Politics. 1d.
Through Consumption to Prosperity. 2d.
The Veil of Finance. 6d.

COLBOURNE, M.

Unemployment or War. 12s. 6d. (Procured from New York to order.)

DOUGLAS, C. H.

Economic Democracy. 6s.
Credit Power and Democracy. 7s. 6d.
The Control and Distribution of Production. 7s. 6d.
Social Credit. 7s. 6d.
These Present Discontents: The Labour Party and Social Credit. 1s.
The Engineering of Distribution. 6d.
Canada's Bankers and Canada's Credit (Reprint of Major Douglas's Evidence at the Government Enquiry in Ottawa). 2s. 6d.
The World After Washington. 6d.
A + B. 1d.

DUNN, E. M.

The New Economics. 4d.
Social Credit Chart. 1d.

H. M. M.

An Outline of Social Credit. 6d.

HATTERSLEY, C. MARSHALL.

This Age of Plenty. 3s. 6d. and 6s.
Men, Money and Machines. 6d.

POWELL, A. E.

The Deadlock in Finance. 5s.
The Flow Theory of Economics. 5s.

SHORT, N. DUDLEY.

It's Like This. 6d.

TUKE, J. E.

Outside Eldorado. 3d.

Critical and Constructive Works on Finance, Economics, and Politics.

CONNOR SMITH.

Where Does Money Come From? 1s.

DARLING, J. F.

Economic Unity of the Empire: Gold and Credit. 1s.

FOSTER, W. T., and CATCHINGS, W.

Profits. 17s.

HEWART (LORD).

The New Despotism. 21s.

HORRABIN, J. F.

The Plebs Atlas. 1s.
An Outline of Economic Geography. 2s. 6d.

MARTIN, P. W.

The Flaw in the Price System. 4s. 6d.
The Limited Market. 4s. 6d.

McKENNA, RT. HON. REGINALD.

Post-War Banking Policy. 7s. 6d.

Instructional Works on Finance and Economics.

BARKER, D. A.

Cash and Credit. 3s.

COUSENS, HILDERIC (Editor).

Pros and Cons. A Guide to the Controversies of the Day. 3s.

Address: 70, High Holborn, London, W.C.1

Published by the Proprietor (ARTHUR BRENTON), 70, High Holborn, London, W.C.1 (Telephone: Chancery 2470), and printed for him by THE ARGUS PRESS LIMITED, Temple-avenue and Tudor-street, London, E.C.4.